

**Tasking Memorandum No. 98-172**

**Memorandum For** Commanders, DCMDs

**Subject:** Electronic Data Interchange (EDI) Progress Payment Expansion (TASKING)

**Date:** May 27, 1998

**Suspense Date:** July 6, 1998

**Target Audience:** District Commanders, Contract Administration Office (CAO) Commanders, Administrative Contracting Officers

**New Information:**

DCMC has made a commitment to the Deputy Secretary of Defense to use EDI for processing 70% of progress payment actions requested, by December 1998, and to increase EDI coverage to 90% of progress payment actions requested, by September 1999.

A review of progress payment volume data demonstrates that many contractors which are submitting Progress Payment Requests (PPRs) via EDI are also submitting PPRs manually, indicating that EDI is not fully utilized. Furthermore, the same data indicates a number of contractor entities are submitting EDI PPRs while other entities of the same contractor, often administered by the same CAO, are not using EDI. Certain limitations contained in the initial version of the Standard Electronic Processing System (SEPS) restricted the types of contracts which could utilize EDI processing. Many of those limitations have been overcome in the Windows based version of SEPS, which has already been installed at many CAOs. Therefore, there should be no technical factors limiting expansion of EDI progress payments. The DCMC Commander will, in the near future, be contacting high volume users of progress payments, which are not currently EDI trading partners, to solicit participation in EDI.

EDI progress payment submission offers efficiencies to both contractors and the Department of Defense, and is a key part of the transition to the paperless contracting process. Its use is encouraged whenever possible.

**New Tasking:**

CAO Commanders will be provided by email, a spreadsheet listing, by CAGE and sorted by CAO code, of contractors doing significant volume in progress payments, both via EDI and manually. The data, which should not be disclosed to other than the named contractor, indicates the number of progress payment invoices submitted during the first half of FY98. Most contractors on the spreadsheet have used both methods during this period, e.g. one contractor location has submitted 19 EDI PPRs and 17 manual PPRs. CAOs shall use this data in responding to the following tasks.

CAOs are requested to provide the information described below to District Progress Payment process owners by June 22, 1998.

- a. For contractors (by CAGE) which transmit some PPRs manually:
  - (1) Briefly describe, for each progress payment contract not using EDI, the technical or contractual impediment preventing each contract on manual submission from using EDI submission. Indicate contract number(s) and CAGE code(s) in your response.
  - (2) Provide the date by which progress payment submissions for each contract addressed in a.(1) will transition to EDI.
- b. The email spreadsheet also includes contractor locations which are only submitting manual PPRs, but which have sister locations (other entities under the same corporation) which are using EDI. CAOs are requested to provide the reason why such contractors are not using EDI.

District process owners will forward a roll up of responses to DCMC-OC by July 6, and together with Headquarters will design solutions to help CAOs expand the use of EDI submission.

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A handwritten signature in black ink, appearing to read "Julie E. Pettibone", is written over the printed name.

**Executive Director**

**Contract Management Operations**

**prepared by: T. Frank, DCMC-OC, 767-3431**

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